

charge of only \$.25 per minute to carry a local call from Saipan to Rota. Although MTC's initial tariff has been subject to subsequent changes and restructuring, IT&E has reason to believe that the disparity between MTC's access and toll charges has not substantially narrowed. Thus, despite the fact that both MTC's access and local toll services involve the same facilities and require delivering traffic over the same distance, MTC currently charges IT&E approximately twice as much for access service as it charges its own local exchange subscribers for a local toll call. Based on this substantial disparity in price, IT&E has reason to believe that MTC's access charges are not reasonably justified by the cost of providing such service. Furthermore, IT&E has reason to believe that MTC is either discriminating against IT&E by either failing to impute the same access charges to its own interexchange operation or cross-subsidizing its interexchange operation with revenues from its local exchange operation. Because MTC fails to maintain complete separation between its local exchange and interexchange operations, there is no guarantee that it does not impute the same access charges to its interexchange operation or that it does not engage in improper cross-subsidization.

IV. CONCLUSION

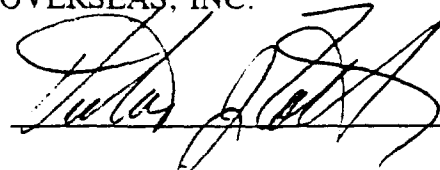
The termination of the consent decree will result in greater anticompetitive abuses by GTE and its GTOCs. GTE has failed to demonstrate that the decree's purposes regarding the prevention of the abuse of GTE's market power have been fulfilled. GTE has not shown the absence of any potential for the abuse of the GTOCs' bottleneck local exchange facilities to impair the growth and development of the competitive markets for interexchange and information services. Indeed, GTE cannot make such a showing, since the evidence indicates

that at least one of its GTOCs (i.e., MTC) continues to engage in anticompetitive conduct in violation of the letter and spirit of the consent decree. MTC's provision of both local exchange and interexchange services on a structurally integrated basis not only violates the decree's strict prohibition against the provision of interexchange services by a GTOC, but also creates the incentive and opportunity for MTC to use its local exchange monopoly to deny equal access to its interexchange service competitors and unfairly discriminate in favor of its own interexchange operation. Because the need for the decree's safeguards against anticompetitive practices by the GTOCs remains, GTE's motion to terminate the consent decree should accordingly be denied.

Respectfully submitted,

IT&E OVERSEAS, INC.

By:

A handwritten signature in black ink, appearing to read "Victor J. Toth", is written over a horizontal line.

Victor J. Toth
D.C. Bar No. 196170
Law Offices of Victor J. Toth
2719 Soapstone Drive
Reston, Virginia 22091
(703) 476-5515

June 26, 1995

ATTACHMENT 1

MTC PRESUBSCRIPTION BALLOT

CIVIL DOCKET NO. 83-1298 (HHG)

CHOOSE YOUR PREFERRED LONG DISTANCE COMPANY NOW

mtc Micronesian
Telecommunications
Corporation

A SUBSIDIARY OF GTE HAWAIIAN TEL

Equal Access Center
P.O. BOX 306
Susupe, Saipan 96950

ONCE YOU HAVE SELECTED THE LONG DISTANCE COMPANY THAT BEST SUITS YOUR NEEDS, ENTER YOUR SELECTION HERE FOR FUTURE REFERENCE.

SELECTED COMPANY

TELEPHONE NUMBER

Thank you for your response. Save this stub for your records. Complete the Equal Access Ballot and return it to us please.

CNMI

COMPLETE AND RETURN THE BALLOT BELOW

FOLD AND TEAR ALONG THIS PERFORATION

EQUAL ACCESS BALLOT		()-1 -(670)-()-()
		<input type="checkbox"/> OPTION 1 <input type="checkbox"/> OPTION 2
		PLEASE COMPLETE, SIGN AND RETURN BY MAY 3, 1993
SIGNATURE	DATE	EFFECTIVE DATE OF SERVICE JUNE 17, 1993
PLEASE CHECK ONE ONLY		WORKING TELEPHONE NUMBERS
IT&E OVERSEAS, INC. () BUSINESS TELEPHONE NUMBER 670 234-8521 () RESIDENCE TELEPHONE NUMBER 670 234-8521		(670) () () () () ()
MTC (MICRONESIAN TELECOMMUNICATIONS CORP.) () INTERNATIONAL LONG DISTANCE CALLING SERVICES FOR INFORMATION CALL: 234-6990		
"PCI COMMUNICATIONS INC." () BUSINESS TELEPHONE NUMBER 670 235-4724 () RESIDENCE TELEPHONE NUMBER 670 235-4724		

CERTIFICATE OF SERVICE

I, Elizabeth Sawyer, certify that on this 26th day of June 1995, copies of the foregoing "Memorandum of IT&E Overseas, Inc. in Opposition to GTE Corporation's Motion to Terminate the Decree" were delivered or mailed, postage prepaid, to the following:

Nancy C. Garrison, Esq.*
Antitrust Division
Appellate Section, Room 3224
U.S. Department of Justice
10th & Pennsylvania Avenue, N.W.
Washington, D.C. 20530

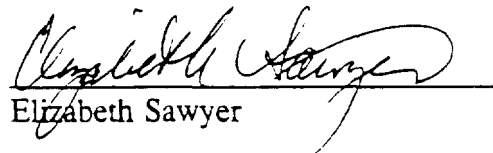
Donald J. Russell, Esq.*
Department of Justice
Antitrust Division, TTF
555 4th Street, N.W.
Room 8104
Washington, D.C. 20001

John E. Ingle, Esq.*
Federal Communications Commission
1919 M Street, N.W.
Room 602
Washington, D.C. 20554

Paul D. Clement, Esq.
Kirkland & Ellis
655 Fifteenth Street, N.W.
Washington, D.C. 20005
Counsel for GTE Corporation

James F. Rill, Esq.
Collier, Shannon, Rill & Scott
3050 K Street, N.W.
Washington, D.C. 20007
Counsel for GTE Corporation

C. Daniel Ward, Esq.
Legal Department
GTE Service Corporation
One Stamford Forum
Stamford, CT 06904


Elizabeth Sawyer

* Hand Delivered

CERTIFICATE OF SERVICE

I, Guled Hersi, serving as secretary to the Law Offices of Thomas K. Crowe, P.C., do hereby certify that a copy of the foregoing Comments to Micronesian Telecommunications Corporation's Section 214 Application was sent by first class United States mail, postage pre-paid, this 12th day of July, 1996, to the following:

Mr. William F. Caton
Acting Secretary
Federal Communications Commission
Room 222
1919 M Street, N.W.
Washington, DC 20554

Richard Beaird
Bureau of International Communications
and Information Policy
Department of State - 4th Floor
2201 C Street, N.W.
Washington, DC 20520

Dr. Thomas P. Quinn
Deputy Assistant Secretary of Defense C3
Pentagon Room 3E160
Washington, DC 20301-3040

U.S. Department of Commerce
National Telecommunications and
Information Administration
14th and Constitution Ave., N.W.
Room H-4717
Washington, DC 20230

National Security Agency
Attn: G042, OPS 1, Room 1C166
NSA EMC Center
9800 Savage Road
Fort George Meade, MD 20755-6000

John Borlas
President
IT&E Overseas, Inc.
PO Box 24881
GMS, Guam 96921

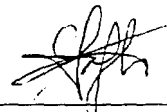
Chief Regulatory Counsel
Telecommunications
Defense Communications Agency
Attention: Code 115
Washington, DC 20305-2000

Keith Fagan
Space Communications Division
COMSAT
950 L'Enfant Plaza, S.W.
Washington, DC 20024

Mr. Earl S. Barbely
Director, Office of International
Communications Policy
Department of State
2201 C Street, N.W.
Room 5824
Washington, DC 20520

Warren H. Haruki
President
The Micronesian Telecommunications
Corporation
P.O. Box 2200
Honolulu, HI 96841

International Transcription Service
2100 M Street, N.W.
Suite 140
Washington, DC 20037



Guled Hersi